

DEPARTMENT OF STATE
BUREAU OF BRANCH OFFICE SERVICES
DRIVER TRAINING SCHOOLS

(By authority conferred on the secretary of state by section 9 of Act No. 369 of the Public Acts of 1974, as amended, being S256.609 of the Michigan Compiled Laws)

R 388.351 Definitions.

Rule 1. (1) The terms and definitions used in the act have the same meaning given therein when used in these rules.

(2) "Act" means Act No. 369 of the Public Acts of 1974, as amended, being S256.601 et seq. of the Michigan Compiled Laws.

(3) "Person" means a natural person, corporation, firm, trust, partnership, unincorporated or unincorporated association, or other legal entity, including a driver training school.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC.

R 388.352 Requirements for operation of driver training schools.

Rule 2. A person, in order to operate a driver training school, shall comply with all of the following provisions:

(a) Submit an application for a license to engage in the business of conducting a driver training school on a form prescribed by the department. The application for an original or renewal license shall be accompanied by the statutory fee for each school location. A fee does not have to be paid for additional locations which are used for the sole purpose of conducting classroom instruction and at which records are not maintained, enrollments are not made, and a staff is not ordinarily assigned, except for the purpose of conducting classroom instruction.

(b) Maintain an established place of business open to the public. The place of business shall be owned or leased by the applicant and shall comply with local zoning ordinances. An affirmation of this zoning compliance shall be required on the application form. The place of business shall have a permanent sign with the name of the school upon it, and office hours shall be posted prominently on the principal entrance to the premises.

(c) Obtain and maintain the surety bond and insurance required by the act. The bond and the proof of insurance shall be filed with the department on forms provided by the department.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC; 1988 MR 7, Eff. July 22, 1988.

R 388.353 Driver training school license; issuance.

Rule 3. The department shall issue a driver training school license to an applicant when the department is satisfied that the applicant meets all qualifications of the act and these rules. A driver training school may continue to operate temporarily without a license after the expiration

date, pending approval of the renewal application, if the application has been filed by the expiration date.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC; 1988 MR 7, Eff. July 22, 1988.

R 388.354 Driver training school records.

Rule 4. (1) A driver training school shall maintain, at its established place of business, records relating to the instruction given to each student. The records shall be maintained for 3 calendar years after the student ceases instruction and shall be open to inspection by the department at reasonable times. The records shall contain all of the following information:

- (a) The date and number of hours of classroom instruction, if any, and behind-the-wheel instruction provided to each student. These records shall be signed by the instructor giving the instruction. The records shall be maintained so that the type and amount of instruction received by each student is easily ascertainable upon inspection by the department.
- (b) A listing, by date, of the payments of instructional tuition or fees for each student.
- (c) A listing of payments by each student for the purchase or rental of supplies or equipment supplied by the school, which listing shall be specified apart from the instructional tuition or fees.
- (d) A signed copy of the contract between the school and student.
- (e) The number, as assigned by the state department of education, of any driver training certificate issued to a teenage student. A driver training school shall maintain a permanent record of all driver training certificate numbers issued.

(2) A driver training school shall not provide instruction to a student until all terms of the agreement between the school and the student are specified in a written contract. Before instruction, the contract shall be dated, signed by the school and the student, and a fully executed copy given to the student. The contract shall contain all of the following information:

- (a) The name of the school.
- (b) The address of the school's established place of business.
- (c) The address where the student shall be given classroom instruction and where the student shall report for behind-the-wheel instruction, if different from the school's established place of business.
- (d) The telephone number, if any, of the school.
- (e) The office hours of the school.
- (f) The school's current license number issued by the department.
- (g) A disclosure of any concession agreement and the limits of responsibility and liability contained in any such concession agreement.
- (h) The name of the student.
- (i) The address of the student.
- (j) The telephone number, if any, of the student.
- (k) The student's date of birth.
- (l) Classification as to the type of student in terms of the following:
 - (i) Adult student, 18 or more years of age.

- (ii) Teenage student, 15 to 17 years of age.
- (m) Fees charged for instruction, including a specification as to price per hour, lesson, or course.
- (n) Fees charged for materials and supplies.
- (o) Fee payment plan.
- (p) In the case of a teenage student, the signature of the student's parent or guardian.
- (q) A statement printed in not less than 10-point type on the face of the contract which reads as follows: "Notice: This school is required to be licensed by the Michigan Department of State, Bureau of Driver Improvement. If you have a complaint which you cannot settle with this school, write: Michigan Department of State, Bureau of Driver Improvement, Lansing, Michigan 48918. Completion of driver training instruction does not guarantee qualification for a driver license."
- (r) A statement of the school's refund policy or guarantee, if any.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC; 1988 MR 7, Eff. July 22, 1988.

R 388.355 Driver training school instructor; qualifications; suspension or revocation of, or refusal to renew, license.

Rule 5. (1) To qualify an applicant as an instructor for a driver training school, the school shall comply with all of the following provisions:

- (a) Submit an application, on a form prescribed by the department, which shall include the name and address of the applicant, the driver's license number of the applicant, and the applicant's date of birth. The application for an original license or a renewal license shall be accompanied by the statutory fee.
- (b) Submit a medical examination report, on a form prescribed by the department, which is completed by a physician licensed to practice in Michigan or in the state where the driver training school is located.
- (c) For driver training schools located outside of Michigan, a driving record certified by the state where the instructor is licensed.

(2) The department may suspend, revoke, or refuse to issue a license if any of the following provisions apply to the applicant:

- (a) The applicant has been convicted of any offense for which 6 points are assessed pursuant to section 320(a) of Act No. 300 of the Public Acts of 1949, as amended, being S257.320(a) of the Michigan Compiled Laws.
- (b) The applicant has been involved in an accident resulting in the death of a person where the applicant was convicted of a violation of 3 or more points in conjunction with the accident.
- (c) The applicant has been involved, within the preceding 24 months before application or during the time of licensure, in 3 or more accidents which resulted in personal injury or property damage and for each of which the applicant was convicted of a violation.
- (d) The applicant has not had a valid driver's license which has been in continuous effect for the 3 years immediately preceding the application.
- (e) The applicant has accumulated, within a 24-month period before application or during the time of licensure, a total of 12 or more points, as provided in section 320(a) of Act

No. 300 of the Public Acts of 1949, as amended, being S257.320(a) of the Michigan Compiled Laws.

(f) The applicant has been convicted of 6 moving violations within a 36-month period.

(g) The applicant has submitted a medical report which includes a statement from the physician that the licensee or applicant is not medically qualified to operate a motor vehicle.

(h) The applicant has made a misstatement of a material fact on an initial or renewal application for licensure.

(i) The applicant has provided driver training instruction for compensation without being licensed as required by the act.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC; 1988 MR 7, Eff. July 22, 1988.

R 388.356 Suspension or revocation of driver training school instructor's license; return; reinstatement.

Rule 6. An instructor's license shall be immediately suspended or revoked if the instructor's driver's license is suspended or revoked and the instructor's license shall be immediately returned to the department. An individual whose instructor's license is suspended or revoked because his or her driver's license is suspended or revoked shall have his or her instructor's license reinstated at the end of the driver's license suspension or revocation if the individual meets the requirements necessary for an original instructor's license before issuance of another license.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC; 1988 MR 7, Eff. July 22, 1988.

R 388.357 Display of licenses.

Rule 7. A driver training school license shall be displayed in a prominent location in the school's place of business. The license certificate of each instructor employed by a school shall be displayed in a prominent location in the school's place of business at which the instructor is employed.

History: 1954 ACS 85, Eff. Nov. 13, 1975; 1979 AC.

R 388.358 Prohibited conduct.

Rule 8. A driver training school shall not engage in any of the following conduct:

(a) Use, adopt, or conduct business under, a name that is the same as, like, or deceptively similar to, the name of another driver training school.

(b) Use the word "state," "government," "municipal," "city," or "county" as part of the name of the driver training school.

(c) Advertise, represent, or imply that it is supervised, recommended, or endorsed by, or affiliated or associated with, the state of Michigan, the secretary of state, or the bureau of driver improvement.

(d) Advertise or publicize itself under a name other than its licensed name.

(e) Advertise itself as open for business before being licensed by the secretary of state.

(f) Issue any advertising which does not contain its full name.

History: 1988 MR 7, Eff. July 22, 1988.

R 388.359 Solicitation on department of state premises prohibited.

Rule 9. A driver training school shall not solicit business on the premises of any facility rented, leased, owned, or used by the department of state.

History: 1988 MR 7, Eff. July 22, 1988.

R 388.360 Verification of permit.

Rule 10. Before providing road instructions on a public highway to an adult student, a driver training school shall verify that the student possesses a valid temporary instruction permit from the secretary of state.

History: 1988 MR 7, Eff. July 22, 1988.

R 388.361 Notification of change in ownership, officers, or partners.

Rule 11. A driver training school shall notify the department of state, by certified mail, within 5 business days of a change in ownership, officers, or partners.

History: 1988 MR 7, Eff. July 22, 1988.

R 388.362 Deceptive and unconscionable practices.

Rule 12. The following are deceptive and unconscionable practices:

- (a) Violation of the act or rules promulgated pursuant to the act.
- (b) Misrepresentation of, or failure to disclose, the total initial and deferred price or the hourly rate, if applicable, of instructions or services provided to a student.
- (c) Misrepresentation of the quantity or quality of the instruction provided or of the requirements for a driver's license, endorsement, permit, or department of education certificate.
- (d) Failure to deliver to the student a copy of all executed agreements and all applicable policies.
- (e) Failure to disclose to a student the existence of any applicable concession agreement or refund policy.
- (f) Failure to promptly or upon request restore to the persons entitled thereto any deposit, down payment, or other payment when an agreement is rescinded, cancelled, or otherwise terminated in accordance with the terms of the agreement or applicable law.
- (g) Taking advantage of the student's or potential student's inability to reasonably protect his or her interest because of a disability, illiteracy, or an inability to understand the language of an agreement, where the licensee knows or reasonably should have known of the person's inability.
- (h) Failure, as the result of the licensee's action or inaction, to provide instruction agreed to in the student agreement or as required for any certificate.
- (i) Failure to honor the terms of the student contract required by R 388.354(2).
- (j) Issuing any certificate when the student has not fulfilled the required hours or conditions of the certificate.
- (k) Falsifying documents, agreements, or certificates.
- (l) Allowing a student to sign a document in blank.

- (m) Grossly misrepresenting to a student the amount of instruction necessary to qualify the student to become licensed as a driver.
- (n) Providing instruction to a student by other than a licensed instructor.
- (o) Failure to maintain records as provided for by these rules.

History: 1988 MR 7, Eff. July 22, 1988.